Commission To Study the Economic, Environmental and Energy Benefits of Energy Storage to the Maine Electricity Industry

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Member Comments on Draft Report
December 2, 2019

(In order of received)

Sen. Vitelli

- Suggests switching the order of recommendations #4 and #5, putting rate design before utility ownership as rate design has broader implications and is critical to recommendation #2, while utility ownership is a more complicated policy issue.

Rob Wood

1. In recommendation #1, clarify that the 100 MW target applies to storage "located" in the state (not just "available" in the state, which could be construed to mean imported energy storage).
2. In recommendation #3, consider being less directive with respect to Efficiency Maine Trust programs. Specifically, the report draft states that the commission recommends, "Directing the Efficiency Maine Trust to develop opportunities through its programs and initiatives to use energy storage to reduce peak electricity demand." It might be more in line with the nature of the commission's recommendations to "Direct the Efficiency Maine Trust to consider developing/study opportunities to use energy storage to reduce peak electricity demand." (See also Rep. Grohski comment # 8 below).
3. In the list of potential Efficiency Maine programs in recommendation #3, clarify that BYOD programs can apply to both residential and commercial and industrial settings.
4. In the list of potential Efficiency Maine programs in recommendation #3, clarify that Efficiency Maine Trust should consider "Rebate **or funding** programs for residential **and/or commercial and industrial** storage…" This is just a little broader and could incorporate other types of funding programs that aren't direct rebates, but achieve a similar purpose.

Steve Zuretti

1. Page 7 includes the following: *Longer duration energy storage, as it becomes available, offers the potential to increase deployment of certain types of renewable energy such as wind.* As you know, long duration storage is available today in the form of pumped hydropower, for example. I would suggest re-drafting this sentence to indicate something like:
    - *Long~~er~~ duration energy storage such as the pumped hydropower facilities located in New England, as well as emerging technologies offering longer duration capabilities ~~as it becomes available~~, offers the potential to increase deployment of certain types of renewable energy such as wind.*

2. I strongly recommend some refinement to the utility ownership section (Recommendation 4). While I appreciate the recommendation is a directive to the PUC to examine the potential for utilities to develop/own/operate energy storage in a limited fashion, I believe it is important both that the Commission acknowledge this is an area of debate as well as establish some framework for the PUC to consider as it reviews the legality of utility ownership and determines "guardrails" to ownership. This could include the addition of the following to the current draft:
    - The question of utility ownership is, at this time, both unsettled and debated.
    - Depending on the use cases, utility ownership of energy storage could present a departure from the intent of restructuring of the electricity sector. This is especially the case when discharging from grid-scale or aggregated systems.
    - Accordingly, the Commission recommends that, if the State proceeds with allowing utility ownership of energy storage, that it be limited to applications that assist with distribution system optimization. Furthermore, although the Commission has determined it is appropriate to consider non-wires alternatives for transmission and distribution investment, the Commission recommends that adequate opportunity be maintained for private investment. As such, in instances where utilities seek to deploy energy storage, the Commission recommends a PUC administered process that includes proposals from third-party investment. This approach could ensure sufficient opportunity exists for energy storage developers, promote cost-competitive outcomes and ultimately limit risks to Maine ratepayers.

Grohoski

1. Add an additional sentence on page 3, paragraph 3 that summarizes the current EMT pilot projects.
2. On page 6, paragraph 2 in reference to "peaker" plants text in parenthesis mentions that these plants are generally natural gas plants, mention oil plants as well, as those are even more environmentally concerning than natural gas.
3. Add "generation" to the following sentence (page 6, paragraph 2) The usage of storage during these peak usage periods also could delay or defer the need to invest in new generation capacity, as well as, . . .
4. Edit the following sentence on page 9 as follows - Whether behind-the-meter or on a larger scale, in order ~~for people~~ to invest in storage that will provide system benefits to all ratepayers, an investor needs to be monetarily compensated for the value the storage project is providing to the system since ~~they are~~ it is bearing all of the costs.
5. Add a sentence on page 9 at the end of paragraph 2 to highlight the cost consequences to Maine ratepayers of carrying more peak load in Maine as other states reduce theirs.
6. In reference to careful consideration of any policy in relation to low-income populations (page 10 paragraph 1) does the report also need to provide the same consideration to business and industrial customers whose bottom line can change detrimentally with only small changes in electricity costs.
7. In relation to the adder for storage (page 11, paragraph 4) give an example of eligibility criteria from one of the presentations we heard, like those of the MA SMART adder. Specific adder requirements listed in SunRaise presentation, but could be more general

like these examples of criteria: specific number of discharge cycles, dispatch during seasonal peak hours, or participation in ISO-NE program to reduce ratepayer costs.

8. In order to provide EMT with more credit for the work they are doing in their innovation projects change the last bulleted sentence on page 11 as follows: Directing the Efficiency Maine Trust to ~~develop~~ expand opportunities through its programs and initiatives to use energy storage to reduce peak electricity demand. In developing storage programs, the commission recommends that the Trust consider: . . .
9. Page 12, paragraph 2 (bullet one) – The BYOD program may be in-line with Pilot #1 that EMT presented.
10. Make the last bullet at the top of page 12 the first bullet in the list of things EMT should consider and rewrite to say the following: Expanding energy storage pilot projects within the existing Innovation Program, and implementing any cost-effective pilots as statewide programs.
11. An additional question that needs to be considered in relation to the ownership of energy storage by investor-owned transmission and distribution utilities that the PUC should examine is whether they can add it to their rate base or not. (Page 12).